



Date: March 30, 1982

MAR 31 1982

Subject: Mineral Leases on Columbia Falls Property

C. F. HOSMER

From/Location: J. A. Speer

To/Location: F. N. Mudge

Yesterday, I talked to Mr. John Anderson, who is with Fortune Oil Company in Salt Lake City. Mr. Anderson had contacted our Columbia Falls plant concerning his desire to acquire mineral leases for exploration of oil and gas in Western Montana.

Mr. Anderson stated that Fortune Oil Company is currently in the process of acquiring leaseholds on property in the vicinity of our Columbia Falls plant and plans to conduct some geological investigations if he is able to obtain enough mineral rights. He indicated a willingness to pay \$10 per acre for a five year lease on mineral rights and indicated our 2,000 acres were critical to his program.

I discussed this matter with Tom Holland, who is ARCO's District Land Manager in Denver. Mr. Holland indicated that ARCO was interested in the Montana overthrust area and recommended that Anaconda Aluminum not sign any leases at this time. He mentioned that ARCO plans to drill in the Flathead area next year and that further drilling activities might take place depending on the results of that test.

Because of the above, I intend to inform Mr. Anderson that Anaconda Aluminum is not interested in leasing its mineral rights at this point in time.

Jack
J. A. Speer

JAS:dw

cc: D. W. Everett
R. A. Sneddon
K. Cyr
C. F. Hosmer
A. C. Ahrens
H. D. White
T. Holland